

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

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THE PURCELL SCHOOL
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE SCHOOL, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2021**

Trustees	Charles Beer (resigned 31 August 2021) ^{1,3} Jonathan Eley (resigned 31 August 2021) ³ James Fowler, Chair of Music and Education Committee (resigned 31 August 2021) ² Janice Graham (resigned 31 August 2021) ^{2,3} Sir Roger Jackling, Chair of Full Governing Body (to 31 August 2021) Professor Colin Lawson ^{2,3} William McDonnell, Chair of Finance and General Purposes Committee (from 1 September 2020) ¹ Dr Rebecca Mooney, Safeguarding Governor ² Ian Odgers ^{1,3} Joanna Van Heyningen ^{1,2} Kirsty Von Malaisé ² Michele Burton ¹ Jeffrey Hewitt ¹ Timothy Jones Bernard Trafford, Chair of Full Governing Body (from 5 February 2021) (appointed 5 February 2021) Sofia Coles (appointed 1 September 2021) ¹ Finance and General Purposes Committee ² Music and Education Committee ³ Nominations Committee
Company registered number	00759327
Charity registered number	312855
Registered office	Aldenham Road Bushey Watford Hertfordshire WD23 2TS
Company secretary	Adam Wroblewski
Independent auditors	MHA MacIntyre Hudson Statutory Auditor 6th Floor 2 London Wall Place London, United Kingdom EC2Y 5AU
Bankers	Coutts and Co. London WC2R 0QS

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE SCHOOL, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Solicitors

Harrison Clark Rickerbys Ltd
Ellenborough House
Wellington Street
Cheltenham
GL50 1YD

Farrer and Co.
66 Lincoln Inn Fields
London
WC2A 3LH

**Senior Leadership
Team**

Paul Bambrough - Principal
Adam Wroblewski - Bursar
Christine Rayfield - Deputy Principal (resigned 31 July 2021)
Paul Hoskins - Director of Music
Jane Malan - Head of Boarding (resigned 31 August 2021)
Tom Burns - Interim Deputy Principal
Kate Cayley - Director of Boarding (appointed 1 September 2021)
Ziggi Szafranski - Designated Safeguarding Lead

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Members of the Purcell School Governing Body present their Annual Report for the year ended 31 August 2021 under the Charities Act 2011, including the Directors' and Strategic Reports, under the Companies Act 2006, together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Purcell School ("the School") was incorporated on 30 April 1963, changing its name to the present name on 6 June 1984. It was incorporated as a Company limited by guarantee not having a share capital, with the registration number 759327. It is also a registered Charity under the Charities Act 2011 with the charity number 312855. In 1980, the Purcell School was designated by the Secretary of State for Education as one of five specialist schools in Britain under what is now the Music and Dance Scheme (MDS). Currently, the Purcell School is one of the 8 schools in the UK supported by the MDS.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The Purcell School is governed by its Memorandum of Association last updated in 1999.

Governing Body

The Governing Body is self-appointing, with one-third of its Members required to retire by rotation at each AGM. The first appointed, or longest serving since last reappointment, are the first to retire. Members retiring by rotation can be re-elected.

It is the policy to recruit Trustees from a wide variety of professions to enhance the Governing Body's strategic judgement. New Trustees are elected by current Members of the Governing Body. The professional backgrounds of current Trustees encompass music (including performance, teaching and the conservatoires), secondary and tertiary education, the wider world of the arts, architecture, banking, business, law, accountancy, medicine and government service. The Governing Body aims to provide a balance between those who know the School and the local area very well, and those who, whilst committed to its aims, come from further away and are able to provide special insights, experience, political sensitivity and objectivity. It is the policy of the Trustees to include a former student and at least one current parent on the Governing Body provided that they have the requisite skills and experience.

The recruitment process is managed by the Nominations Committee. The chief requirement of all Trustees is to accumulate sufficient understanding of the School, its aims and its modus operandi, to enable them to use their knowledge and their professional background in agreeing the strategic direction of the School.

Recruitment and training of Trustees

New Trustees are inducted into the workings of the School through briefing sessions with the Chairman, Principal and Members of the Senior Leadership Team. In addition they are provided with guidance from AGBIS (Association of Governing Bodies of Independent Schools), ISC (Independent Schools Council) and the Charity Commission. Governors are advised of and encouraged to attend appropriate external training workshops and presentations.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

All Trustees have access to the papers for all Trustees' Committees to allow them to stay informed of current issues within the School. Staff make regular presentations to the Governing Body or its Committees on a wide range of topics. A programme of gubernatorial visits is arranged to allow Trustees to gain first-hand experience of the School at work; their observations are shared with the Principal and reported on at a full Governors' meeting. Dr Rebecca Mooney serves as Safeguarding Governor with particular responsibility for Child Protection.

Organisational management

The Members of the Governing Body, as the Charity Trustees, are legally responsible for the overall management and control of the School. They meet three times a year.

The work of implementing their policies is carried out by three Committees:

- The Finance and General Purposes Committee scrutinises revenue, the budget and capital expenditure. This Committee also supervises and finalises the audited financial statements and annual report for approval by the Governing Body. In addition, it monitors operational matters, risk management, capital building projects and maintenance and leads on the development and review of the School's strategic plan. The Committee is chaired by William McDonnell who was appointed from 1 September 2020.
- The Music and Education Committee considers educational and pastoral policy and leads on monitoring and reviewing Safeguarding arrangements within the School. The Committee was chaired by James Fowler until the end of the year (31st August 2021). The new Chair was appointed on 1st September 2021 (Kristy Von Malaise)
- The Nominations Committee takes responsibility for reviewing the composition, skill and renewal of the Governing Body and the appointment of the Principal and Bursar. The Committee was chaired by Sir Roger Jackling until the end of the year (31st August 2021). The new Chair was appointed on 1st September 2021 (Bernard Trafford).

The day-to-day running of the school is delegated to the Principal and Bursar. The Senior Leadership Team comprises of the Principal, Bursar, Vice-Principal, Safeguarding Lead, Director of Boarding and Director of Music. The Principal and Bursar attend all Governing Body (excluding the Nominations Committee) meetings and the Deputy Principals and Director of Music attend the Music and Education Committee meetings.

Remuneration is set by the Board, with the policy objective of providing appropriate incentives and of rewarding fairly and responsibly individual contributions to the School's success. For teaching staff, the School aims, where possible, to mirror state school salaries and pay reviews. Employees' remuneration is reviewed annually and benchmarked against the school's sector pay level as a whole. The School subscribes to external HR benchmarking tool to analyse competitiveness against other organisations, and at the same time ensuring a fair level of pay in accordance to role responsibilities. It is also the intention of the school Trustees to apply a percentage increase to all staff when financially possible.

Charity Governance Code

The Trustees are aware of the Charity Governance Code and have received the 'new' AGBIS guidance which explains in detail the Governors' Code of Practice and good governance. The Charity will be reviewing its current governance arrangements against its updated 2020 code and will address any issues raised where required in 2022.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

Group structure

The School wholly owns Purcell School (Trading) Limited, which did not trade in the year.

Employment policy

The School is an equal opportunities employer. Full and fair consideration is given to all job applications.

Employees are made aware of the financial and economic performance of the School, at least on an annual basis.

Communication with employees takes place through normal management channels and includes staff briefings, departmental meetings and a variety of electronic communication.

Relationships between the School and related parties

The Trustees consider that the Board of Trustees and the Senior Leadership Team comprise the Key Management Personnel of the School. All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in notes to the accounts.

The Purcell School maintains close partnerships with other Music and Dance Schools (MDS) and together shape the specialist musical education in the UK. The School also maintains links with music colleges, and London venues where it regularly performs. There is also a strong relationship with UK Conservatoires as it is often a direction where most of our students go:

2021 LEAVERS DESTINATIONS

MUSIC COLLEGES & CONSERVATOIRES

- Royal Academy of Music, London: 13
- Royal College of Music, London: 10
- Guildhall School of Music and Drama, London: 2
- The Royal Welsh College of Music & Drama: 1
- Royal Conservatoire of Scotland, Glasgow: 1
- Hochschule für Musik Leipzig: 1
- International Academy of Music & Performing Arts, Vienna: 1

UNIVERSITIES & COLLEGES

- University of Cambridge: 1
- University of Bristol: 1
- Durham University: 1
- Birmingham City University: 1

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable objects

The School's Objects, as set out in the Memorandum and Articles of Association, is to establish and conduct a school for the purpose of providing general and specialist music education. The School offers a rounded education, with music at its heart, and provides young musicians of exceptional talent and promise with the best possible teaching and environment in which to fulfil their potential, regardless of their background. The Governing Body is mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011. In this connection the Governing Body has monitored closely the guidance on public benefit produced by the Charity Commission together with its supplemental guidance on fee-charging.

Mission statement

The mission of The Purcell School is to provide young musicians who demonstrate the potential to become exceptional (irrespective of background) with outstanding teaching within a supportive school environment and to equip them with the self-confidence, adaptability, maturity and perspective to sustain their professional development and personal fulfilment throughout their lives.

Aims

The School's aims for public benefit are:

- To sustain a safe, happy and healthy environment in which all can flourish musically, academically and emotionally.
- To deliver outstanding musical and academic education.
- To provide a range of high-profile and developmental performance opportunities.
- To deliver personalised pastoral care and support so that the individual needs of each student are met.
- To provide access to musical opportunity and widen participation in areas where this is especially difficult.
- Maintain (as far as is practically possible) open access by admitting students solely on the ability, not according to financial means.

Key financial performance indicators

- A balanced budget is maintained throughout the year
- An accounting surplus is achieved after depreciation
- Fundraising income to exceed £500,000

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Primary objectives

The primary objectives of the School to fulfil these aims are to:

- To maintain and develop an exceptional student experience underpinned by outstanding artistic ambition.
- To attract, retain and add value to the finest national and international talent.
- To facilitate transformational engagement with partners, communities and the wider world
- To develop world-class resources and facilities
- To ensure financial sustainability through effective financial planning and management, diversification of income streams and significant and sustained fundraising

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

Strategies to Achieve the Primary Objectives.

The key strategies are as follows:

- maintaining high levels of musical and academic performance through CPD, visits to other institutions and departmental reviews.
- ensuring that the School's policy of offering places according to musical promise rather than ability to pay is upheld by offering means tested financial assistance to all students accepted by the School, either through the Department for Education's Music and Dance Scheme or School Bursaries.
- ensuring that funding arrangements are effectively communicated to talented young musicians and their parents.
- continuing the enhancement of the School's premises
- expanding fundraising initiatives in the school
- monitoring the requirement placed on the School under the Charities Act 2011 to continue to demonstrate public benefit
- continuing to build links with the community both through access to musical events and activities in the School as well as through Outreach Programmes.
- reviewing and developing the School's strategic plan to ensure that it is fit for purpose and will lay for the foundations for long term future development.

Principal activity

The principal objective of the Charity as set out in its Memorandum and Articles of Association is to establish and conduct a school for the purpose of providing general and specialist music education.

The School is predominantly a boarding school with 138 boarders (many of whom are weekly boarders) and 39 day students. A special quality of the School is its warmth and friendliness and its strong sense of community and purpose, which has developed from a common love of music.

In 2003 the School was awarded the Mozart Gold Medal by UNESCO in recognition of its outstanding contribution to arts education.

Public benefit

The Purcell School remains committed to the aim of providing public benefit in line with Section 17 of the Charities Act 2011.

The School offers bursaries through the Department for Education Music and Dance Scheme. For students who do not qualify for the Music and Dance Scheme, support is offered by the School from the School's own bursary fund. As a result, every student accepted by the School is entitled to means tested financial assistance and the key criterion for admission to the School is musical excellence and not ability to pay. Parental contributions are currently less than 20% of gross fees, and any non-Music and Dance Scheme bursaries are funded from the school's reserves.

The financial support available to students is promoted through the website, on Open Days and in all of the School's marketing materials. All parents have an opportunity on Open Days and audition days to discuss financial concerns.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

In addition to bursaries, the School engages in many other activities that provide benefit to the public within the School's objectives. These include:

- Concerts in and for the local community
- Free access to the local community to attend all concerts held at the School
- Making premises and specialist facilities available in holiday periods to the music "community" for a wide range of courses, workshops, audition days and study days

The Outreach Programme, which enriches the lives of many outside the School and brings students into contact with the wider world beyond the School. It takes many forms, from student-led activities to taster events and partnership programmes.

Equal opportunities

The Purcell School is an equal opportunities organisation and is committed to a working and educational environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, gender, sexual orientation or disability.

Safeguarding

The School is committed to safeguarding and promoting the welfare of students and expects all stakeholders to share this commitment.

Governors monitor that safeguarding arrangements are effective by:

- Ensuring that Safeguarding is an agenda item at every meeting of the Governing Body and Education Committee and maintaining appropriate policies, procedures and operational arrangements
- Appointing a Trustee with particular responsibility for safeguarding who visits the School termly and monitors arrangements
- Reviewing an annual report compiled by the Designated Senior Person detailing how School procedures are working and providing an update on staff training
- Undertaking necessary training as required.

Fundraising performance

The bursary fund received £288,701 during the year.

It is a long term aim of Trustees to raise sufficient monies to fund all non-Music and Dance Scheme remissions. This amounts to just over £600,000 per year and there is a significant variance between money needed and raised.

The School has a fundraising policy in place which reflects the standards laid down by the Fundraising Regulatory Board established following the 2016 Charities Act to promote ethical practice in fundraising and gain public trust and confidence. The policy also includes a complaints procedure and there were no complaints received in the year.

To protect vulnerable people and other members of the public, the School only contacts people who have a legitimate interest in music, and opted in to receive information. Trustees have a commitment to the highest standards of good practice and to ensuring that all fundraising activities are open, legal, and fair.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

KEY ACADEMIC STATISTICS

Students at The Purcell School are characteristically motivated both musically and academically, and exam results are consistently strong. Depending on a student's age and instrumental commitments, approximately a third of curricular time at The Purcell School is spent on musical activities. For this reason students may take fewer academic subjects than in other schools, and many will take Music exams one year early. For these reasons, numbers and grade distributions may fluctuate from year to year. However, excellent teaching, dedicated facilities, and small class sizes help to ensure that our students attain good grades to continue in their studies.

Year 13 A LEVEL & pre-U 2021

<i>Pre-U</i>	D1 (a*+)	D2 (a*)	D3 (a)	M1 (a/b)	M2 (b)	M3 (c)	P1 (c/d)	P2 (d)	P3 (e)
Music (37 entries)	6	14	10	5	2	0	0	0	0
Philosophy & Theology (3 entries)	0	1	0	1	1	0	0	0	0

<i>A level subjects</i>	<i>entries</i>	A*	A	B	C	D	E
Music Technology	9	4	0	1	3	1	0
Art	4	1	1	2	0	0	0
Biology	4	1	0	1	2	0	0
Drama	5	0	1	2	2	0	0
English Literature	11	0	2	8	1	0	0
French	6	3	2	0	1	0	0
German	3	1	0	2	0	0	0
History	5	1	3	1	0	0	0
Mathematics	6	5	0	0	0	1	0
Photography	2	0	1	1	0	0	0
Physics	6	3	1	1	1	0	0

A Level statistics including pre-U equivalents in 2018	2021	2020	2019	2018	2017	2016	2015
Percentage A* + A	66%	63%	49%	50%	29%	26%	42%
Percentage A* - B	88%	79%	63%	71%	60%	59%	72%
Percentage A* - E	100%	100%	95%	100%	99%	98%	100%

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

Year 12 AS LEVEL 2021

Subject	entries	A	B	C	D	E
Music Technology						
Physics	2	1	0	1	0	0

YEAR 11 students' GCSE & IGCSE RESULTS 2020

<i>number grades</i>	entries	9(*)	8(*a)	7(a)	6(b)	5(b/c)	4(c)	3(d)	2(e)
<i>letter grades</i>	entries	A*		A	B		C	D	E
Music*†	31	19	-	12	0	-	0	0	0
English (1st Language)†	24	9	-	10	5	-	-	-	-
English Literature†	19	7	-	8	3	-	1	-	-
English (2nd Lang.)* †	4	-	-	1	2	-	1	-	-
Drama	9	2	2	2	2	1	0	0	0
French	6	3	2	1	0	0	0	0	0
German	4	1	1	2	0	0	0	0	0
Art	12	2	1	4	3	2	0	0	0
History †	17	6	4	4	2	1	0	0	0
Science (Combined)	27	10	8	3	1	3	2	0	0
Physics†	2	1	-	1	-	-	-	-	-
Mathematics	29	6	6	4	4	8	1	0	0

* Taken in Year 10 (2020)

† IGCSE

Musical Achievements

2020-21 was an extremely challenging year because of ongoing restrictions both in education and the arts world. In the autumn term we functioned very successfully as an entirely closed community: we were unable to have visitors or audiences on site, and unable to take students out to perform or attend concerts.

We made the best of it by putting on many concerts for students to attend with staff performers as well as students. We are fortunate to have a teaching body that includes some of the country's finest musicians, and the year began with exceptional recitals given by Richard Jenkinson, Charles Sewart, Joy Farrall, Simon Allen, Oli Hayhurst, Seb de Krom, Debbie Shah, Graham Hobbs and Steve Williams.

Students soon took up the baton, and performed over 200 pieces in lunchtime concerts and evening recitals. One notable highlight was "Roots", a student-curated evening concert of music by black composers.

Limits on room capacity meant that we were unable to rehearse groups of more than about 12-14, and so the orchestra was divided into many smaller ensembles. In the first term these groups filmed performances that were commissioned by the Hatfield House Chamber Music Festival, and the film was made available with accompanying resources to all primary schools in Hertfordshire and viewed by thousands of young people.

The new arrangements for orchestral playing meant that we learnt some benefits of working in smaller groups: each student took more responsibility individually, and many groups were self-directed. Repertoire was also more diverse and varied.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

6th form students presented a magnificent concerto festival, replacing the competition that had been postponed the previous year.

The spring term was almost all online from home, and we held several online masterclasses and Q and A classes with artists from all over the world.

The summer term at last brought some easing of restrictions, and in June 2021 we curated 15 concerts in school, as well as a series of 7 external concerts called "The Purcell School returns to London". Outstanding performances were given and filmed in St John's Smith Square, The Royal Overseas League, Conway Hall, The Wilde Theatre, Bracknell and Cadogan Hall, the Bushey Festival and the Deal Festival. The excitement of hearing young performers unleashed again was extremely moving, and these performances are still remembered as some of the best we have ever done.

Purcell Online, our Youtube channel, continued to host films of classes and performances, enabling families all over the world to see their children perform.

To the credit of the students and staff, despite all the limitations on social gathering and public performances, all individual lessons continued in person when at school and online when at home. Students were extremely glad to return to school whenever they could, but excellent work continued throughout the year.

FINANCIAL REVIEW

Results for the year

The School's total incoming resources for the year amounted to £6,340,442 (2020 - £6,133,536). The net deficit for the year was £157,231 (2020 - deficit of £81,530) as shown in the Statement of Financial Activities. The deficit for the year arose as a result of ensuring adequate level of staffing resources to ensure safe, happy and healthy environment for students, as detailed in Note 15.

Reserves level and policy and financial viability

The School's total reserves were £13,341,657 (2020 - £13,498,888) at the year end, of which £509,195 (2020 - £532,934) are restricted funds, £11,946,995 (2020 - £12,016,371) are designated funds and £885,467 (2020 - £949,583) are general funds. Whilst the funds of £509,195 are categorised as restricted under Charity trust law, these funds came from fundraising for the school bursaries. The school is able to use these funds on the educational activities at the school, which forms the vast majority of the school business, and which would otherwise be funded from unrestricted funds. Therefore, in considering the School's operational reserves position they have been included within the total operational free reserves held as per the reserves policy.

Unrestricted funds in total stood at over £10 million at the year end, wholly deployed as part of the financing of the School's premises and equipment. There are limited free reserves because free reserves as defined by the Charity Commission are unrestricted funds less those funds represented by fixed assets. This amounted to £885,467 (2020 - £949,583).

Governors considered the balance between retaining sufficient reserves to guard against risks and tying up excessive resources which may be detrimental to fundraising. The Governors agreed that a reserve of three months of the school's normal annual operational cost is appropriate to meet the Charity's objectives without compromising the continuity of educational and musical provision. Three months reserve would amount to approximately £1.5m. The school's finances should be managed so that under normal circumstances this is the minimum level of reserves held through the annual cycle, in the absence of one or more of the circumstances in paragraph 1 arising. The target level of reserves may be varied if the risk profile changes materially.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Board of Trustees ensures that resources are managed responsibly in the best interests of the school. The Board approves and monitors the implementation of this policy.

The Finance and General Purposes Committee (F&GP) monitors and supervises the current and future financial situation and associated risks. F&GP also reviews and develops this policy and makes recommendations to the Board.

PRINCIPAL RISKS AND UNCERTAINTIES

The Governing Body is responsible for the management of the risks faced by the School. Detailed considerations of risk are delegated to the Finance and General Purposes Committee, which is assisted by senior School staff. Risks are identified, assessed and controls established throughout the year. A formal review of the School's risk management processes is undertaken on an annual basis. The key controls used by the School include:

- formal agendas for Governing Body activity
- detailed terms of reference for all Committees of the Governing Body
- comprehensive strategic planning, budgeting and management accounting
- established organisational and governance structures and lines of reporting
- a comprehensive suite of formal written policies including staff handbook, safeguarding and child protection, and health and safety
- hierarchical authorisation and approval levels
- external review
- financial procedures policy.

Through the risk management processes established for the School, the Trustees are satisfied that the major risks identified have been managed as necessary. The Trustees have identified that the key areas of risk that the School faces lie in the effectiveness of its governance and management, the efficiency of its operations, the effectiveness of its safeguarding procedures and in ensuring its financial health and stability. These include, in particular, a significant fall in student numbers and withdrawal or changes to the Department for Education funding. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been managed.

The management of risk is a routine part of the day to day operation of the School. Policies and procedures are in place to assess and manage risks. During the year Governors reviewed child protection, health and safety, risk management, whistleblowing, professional standards, staff recruitment, bursary and equality policies.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

FUTURE PLANS

The School is planning to launch a comprehensive new strategic plan which will deliver significant improvement to every aspect of its work over the coming 5 – 10 years. In so doing, it will secure and expand recruitment of pupils; widen participation and social impact; improves its physical and virtual resources and strengthen its financial position. The key principal strategic aims are:

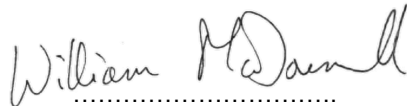
Principal Strategic Aim 1	To maintain and develop an exceptional student experience underpinned by outstanding artistic ambition
Principal Strategic Aim 2	To attract, retain and add value to the finest national and international talent.
Principal Strategic Aim 3	To facilitate transformational engagement with partners, communities and the wider world.
Principal Strategic Aim 4	To develop world-class resources and facilities
Principal Strategic Aim 5	To ensure financial sustainability through effective financial planning and management, diversification of income and significant and sustained fundraising

Integral to the Strategic Plan is the School's core mission of ensuring that places are secured (as far as is practically possible) on the basis of talent, not on the ability to pay and to enable each and every student to experience a safe, happy and healthy environment in which to grow and develop musically, academically and personally.

The COVID pandemic has significantly affected the School operation, especially following the introduction of another national lockdown. The School has responded promptly and implemented the similar measures as it did during the first lockdown, but in addition used the opportunity of an empty building to start refurbishment projects. Furthermore, it helped every student in all ways possible, such as providing necessary technology, pastoral support and fully timetabled live lessons. The recent parent survey on the school provision during this time was overwhelmingly positive with the responses of "Extremely Satisfied or Satisfied" in excess of 90% of the total.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company Directors.

On behalf of the Board



William McDonnell

Trustee

Date: 28/03/2022



Bernard Trafford

Chair of Trustees

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees (who are also the Directors of the School for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the School and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the School will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the School's transactions and disclose with reasonable accuracy at any time the financial position of the School and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the School and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by order of the Members of the Board of Trustees and signed on its behalf by:



.....
Bernard Trafford
Chair of Full Governing Body
Date: 28/03/2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PURCELL SCHOOL

Opinion

We have audited the financial statements of The Purcell School (the 'School') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PURCELL SCHOOL (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PURCELL SCHOOL (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management and those charged with governance to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of non-compliance with laws and regulations;
- Reviewing the control systems in place and testing the effectiveness of the controls;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness;
- Evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

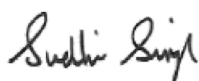
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PURCELL SCHOOL (CONTINUED)

Use of our report

This report is made solely to the charitable company's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's Members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its Members, as a body, for our audit work, for this report, or for the opinions we have formed.



Sudhir Singh FCA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Statutory Auditor

London, United Kingdom

Date: 20 April 2022

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and grants	4	35,117	288,413	323,530	274,560
Charitable activities	5,6	5,881,220	-	5,881,220	5,794,129
Other trading activities	9	135,404	-	135,404	58,084
Investments	10	-	288	288	6,763
Total income		6,051,741	288,701	6,340,442	6,133,536
Expenditure on:					
Raising funds	11	89,883	-	89,883	91,856
Charitable activities	12,13	6,095,350	312,440	6,407,790	6,123,210
Total expenditure		6,185,233	312,440	6,497,673	6,215,066
Net movement in funds		(133,492)	(23,739)	(157,231)	(81,530)
Reconciliation of funds:					
Total funds brought forward		12,965,954	532,934	13,498,888	13,580,418
Net movement in funds		(133,492)	(23,739)	(157,231)	(81,530)
Total funds carried forward		12,832,462	509,195	13,341,657	13,498,888

All income and expenditure derives from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The Notes on pages 22 to 45 form part of these financial statements.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00759327

BALANCE SHEET
AS AT 31 AUGUST 2021


	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	17		11,946,995		12,016,371
Investments	18		100		100
			11,947,095		12,016,471
Current assets					
Debtors	19	412,225		345,318	
Cash at bank and in hand	24	2,093,251		2,108,561	
		2,505,476		2,453,879	
Creditors: amounts falling due within one year	20	(1,110,914)		(971,462)	
Net current assets			1,394,562		1,482,417
Total net assets			13,341,657		13,498,888
School funds					
Restricted funds	21		509,195		532,934
Unrestricted funds	21		12,832,462		12,965,954
Total funds			13,341,657		13,498,888

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Bernard Trafford
Chair of Full Governing Body
Date: 28/03/2022



William McDonnell
Trustee

The notes on pages 22 to 45 form part of these financial statements.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	23	303,395	319,248
Cash flows from investing activities			
Investment income	10	288	6,763
Purchase of tangible fixed assets	17	(318,993)	(150,998)
Net cash used in investing activities		(318,705)	(144,235)
Change in cash and cash equivalents in the year		(15,310)	175,013
Cash and cash equivalents at the beginning of the year		2,108,561	1,933,548
Cash and cash equivalents at the end of the year	24	2,093,251	2,108,561

The notes on pages 22 to 45 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. General information

The Purcell School is a charitable company limited by guarantee and is registered with the Charity Commission (Charity Registered Number: 312855) and Registrar of Companies (Company Registration Number: 00759327) in England and Wales.

The registered office and principal place of operation is detailed on page 1. The nature of the School's operations are detailed in the Trustees' Report.

The liability of the 16 Members at the year-end is limited to £1 each.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Purcell School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in sterling, which is the functional currency of the School, and rounded to the nearest pound.

2.2 Going concern

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places, funding arrangements under the Department for Education Music and Dance Scheme and the School's future projected cash flows, the Trustees have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. In reaching this conclusion consideration has also been given to the likely financial impact of COVID-19 on the School's operations and cash-flow and the School's response to this.

The School examines its medium term position by preparing 3 year budgets, viability analyses and cash-flow forecasts, and therefore the Trustees have considered beyond the minimum period of 12 months required to be considered as the foreseeable future.

The Trustees also maintain a comprehensive risk management plan, updated termly which examines significant trends and their impact on the school in mid to long term basis around brexit, covid, financial and non-financial going concern matters.

Accordingly, it continues to be appropriate to adopt the going concern basis in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.3 Income

All income is recognised once the School has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Fees receivable are accounted for in the year to which they relate and comprise tuition fees and charges to students, net of bursary fee remissions, but gross of awards made from the School's Bursary Fund.

Donations and gifts received for the general purposes of the School are credited to the School's funds. Donations and gifts subject to specific wishes of the donors are carried to the relevant restricted fund. Voluntary income is accounted for when the School's entitlement to it is considered to be legally enforceable and there is reasonable certainty of receipt.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Government grants

The Charity receives government grants in respect of furthering its charitable objectives. Income from government and other grants are recognised at fair value when the Charity has entitlement after any performance conditions have been met, it is probable that the income will be received, and the amount can be measured reliably. Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.5 Expenditure

Expenditure is accounted for on an accruals basis. Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity.

Expenditure on raising funds includes all expenditure incurred by the School to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the School's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.6 Taxation

The School is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the School is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £5,000 (£1,000 for computer equipment) or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold buildings	- 2% on cost
Temporary classrooms	- 20% on written down value
Motor vehicles	- 25% on written down value
Furniture, fixtures and fittings	- 15% on written down value
Computer equipment	- 20% on cost
Musical instruments	- 10% on written down value

Freehold land is not depreciated.

2.8 Investments

Investment in the trading subsidiary is valued at cost less provision for impairment.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the School anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.12 Concessionary loans

Concessionary loans include those receivable and payable to a third party which are interest free or below market interest rates and are made to advance charitable purposes. Where the loan is repayable on demand within one year, the loan is measured at cost, less impairment. Where the loan is repayable more than one year, the loan is initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method, less impairment.

2.13 Financial instruments

The School only holds basic financial instruments. The financial assets and financial liabilities of the School are as follows:

Financial assets - trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 19. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Note 20. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

2.14 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.15 Pensions

The School contributes to the Teachers' Pension Scheme at rates set by the Scheme Actuary and advised to the Governors by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS102 the scheme is accounted for as a defined contribution scheme. The School also uses a defined contribution scheme for its non-teaching staff. The contributions are charged in the Statement of Financial Activities when made.

2.16 Termination payments

Termination benefits, including redundancy costs, are recognised when the School has the obligation to pay the benefits and they can be reliably measured.

2.17 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the School and which have not been designated for other purposes.

Designated funds are funds set aside out of general funds and designated for specific purposes by the Trustees.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the School for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The School makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the Balance Sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. Income from donations and grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Bursary income	-	283,832	283,832
Friends income	-	4,468	4,468
Merchandise sales	-	113	113
Other grants	35,117	-	35,117
Total 2021	35,117	288,413	323,530

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Bursary income	-	250,597	250,597
Outreach income	-	3,770	3,770
Chamber Academy fund income	-	12,500	12,500
Friends income	-	3,998	3,998
Merchandise sales	-	155	155
Gifts and donations	-	500	500
Other grants	3,040	-	3,040
Total 2020	3,040	271,520	274,560

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. Income from charitable activities - by fund

	Unrestricted funds 2021 £	Total funds 2021 £
Educational operations	5,881,220	5,881,220
	Unrestricted funds 2020 £	Total funds 2020 £
Educational operations	5,794,129	5,794,129

6. Analysis of income from charitable activities by type of income

		2021 £	2020 £
School fees	7	5,833,183	5,498,763
Other educational income	8	-	109,000
Exceptional government funding		48,037	186,366
		5,881,220	5,794,129

The School has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under 'Exceptional government funding'.

The School furloughed some of its staff under the government's Coronavirus Job Retention Scheme. The funding received of £48,037 (2020 - £186,366) relates to staff costs in respect of 37 (2020 - 32) staff.

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

7. School fees

	2021 £	2020 £
Gross school fees	6,232,946	5,758,782
Less: Total bursaries	(699,763)	(560,019)
Add: Bursaries paid from restricted funds	300,000	300,000
	5,833,183	5,498,763

Net fees received included £1,433,844 (2020 - £1,456,581) by parents and £4,099,339 (2020 - £3,742,182) paid by the Department for Education Music and Dance Scheme.

8. Other educational income

	2021 £	2020 £
DfE / ESFA Teachers' Pension Grant	-	104,000
SEN funding	-	5,000
	-	109,000

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

9. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Application and audition fees	6,334	6,334
Insurance claims	8,248	8,248
House fund income	18,065	18,065
Concert income	3,277	3,277
Lettings income	88,225	88,225
Sundry income	5,746	5,746
Gain on disposal of fixed assets	5,509	5,509
Total 2021	135,404	135,404
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Application and audition fees	8,672	8,672
Insurance claims	4,213	4,213
House fund income	2,760	2,760
Concert income	12,815	12,815
Lettings income	16,751	16,751
Coffee shop income	11,767	11,767
Sundry income	906	906
Gain on disposal of fixed assets	200	200
<i>Total 2020</i>	<i>58,084</i>	<i>58,084</i>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. Income from investments

	Restricted funds 2021 £	Total funds 2021 £
Bank interest receivable	288	288
	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Bank interest receivable	6,763	6,763

11. Expenditure on raising funds

	Unrestricted funds 2021 £	Total funds 2021 £
Direct costs - Staff costs	78,682	78,682
Direct costs - Fundraising and development costs	3,300	3,300
Support costs - Financing costs	7,901	7,901
Total 2021	89,883	89,883
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Direct costs - Staff costs	79,031	79,031
Direct costs - Fundraising and development costs	4,924	4,924
Support costs - Financing costs	7,901	7,901
<i>Total 2020</i>	<i>91,856</i>	<i>91,856</i>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

12. Analysis of expenditure on charitable activities - by fund

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Educational operations	6,095,350	312,440	6,407,790

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Educational operations	5,795,771	327,439	6,123,210

13. Analysis of expenditure on charitable activities - by type

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Educational operations	5,237,283	1,170,507	6,407,790

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Educational operations	4,944,611	1,178,599	6,123,210

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

13. Analysis of expenditure on charitable activities - by type (continued)

Analysis of direct costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	3,864,735	3,604,263
Premises costs	395,753	488,645
Teaching costs	188,791	223,975
Welfare and catering costs	479,004	309,728
School operating costs	309,000	318,000
	5,237,283	4,944,611

Analysis of support costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	377,542	354,703
Depreciation	388,369	438,247
Other staff costs	20,201	13,381
Premises costs	30,150	5,099
Technology costs	118,648	75,742
Insurance costs	53,647	56,997
Transportation costs	3,292	7,671
Hospitality costs	1,013	5,711
Bank charges	5,427	7,088
Governance costs	87,819	58,499
Legal costs	16,274	68,775
Coffee shop costs	-	13,532
Other support costs	57,763	61,704
Publicity costs	10,362	11,450
	1,170,507	1,178,599

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

14. Governance costs

	2021 £	2020 £
Auditor's remuneration - Audit of the financial statements	11,350	11,000
Auditor's remuneration - Other services	5,995	5,850
Auditor's remuneration - Under-accrual of prior year fees	6,335	1,915
Legal and professional fees	64,139	39,734
	87,819	58,499

15. Staff costs

	2021 £	2020 £
Wages and salaries	3,459,286	3,236,737
Social security costs	292,634	279,609
Pension costs	569,039	521,651
	4,320,959	4,037,997

Wages and salaries include termination benefits and redundancy payments, including both contractual and non-contractual payments, and totalled £49,201 (2020 - £22,055). Included within non-contractual payments for 2021 are compensation payments of £26,260 made under the authority of the Trustees as being in the best interests of the School. There were no associated liabilities at the year end.

Wages and salaries also includes agency staff costs of £38,125 (2020 - £63,706).

The average number of persons employed by the School during the year was as follows:

	2021 No.	2020 No.
Teaching	108	102
Boarding, Pastoral and Housekeeping	31	29
Administration, Property and Fundraising	20	20
	159	151

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

15. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021 No.	2020 No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	2	2
In the band £80,001 - £90,000	1	-
In the band £100,001 - £110,000	1	1

The Key Management Personnel of the School comprise the Trustees and the Senior Leadership Team as listed on pages 1 and 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by Key Management Personnel for their services to the School was £582,989 (2020 - £584,358).

16. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

17. Tangible fixed assets

	Freehold land and buildings £	Motor vehicles £	Furniture, fixtures and fittings £	Computer equipment £	Musical instruments £	Total £
Cost or valuation						
At 1 September 2020	15,288,517	28,200	1,627,288	656,414	1,001,259	18,601,678
Additions	184,200	-	31,455	61,508	41,830	318,993
At 31 August 2021	15,472,717	28,200	1,658,743	717,922	1,043,089	18,920,671
Depreciation						
At 1 September 2020	3,991,517	12,338	1,292,305	592,066	697,081	6,585,307
Charge for the year	290,140	3,966	34,205	26,432	33,626	388,369
At 31 August 2021	4,281,657	16,304	1,326,510	618,498	730,707	6,973,676
Net book value						
At 31 August 2021	11,191,060	11,896	332,233	99,424	312,382	11,946,995
At 31 August 2020	11,297,000	15,862	334,983	64,348	304,178	12,016,371

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. Fixed asset investments

	Investment in subsidiary company £
Cost or valuation	
At 1 September 2020	100
At 31 August 2021	<u>100</u>

Principal subsidiaries

The wholly owned trading subsidiary, Purcell School (Trading) Limited, is incorporated in England and Wales (Company Registration Number: 02914875). The registered office address is Aldenham Road, Bushey, Watford, Hertfordshire, WD23 2TS.

During the current and previous financial years Purcell School (Trading) Limited was dormant.

19. Debtors

	2021 £	2020 £
Due within one year		
Fees and extras owed by parents	63,115	81,129
Other debtors	64,431	57,347
Prepayments	23,861	36,283
Music and Dance Scheme grant	260,818	170,559
	<u>412,225</u>	<u>345,318</u>

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

20. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Other loans	395,105	395,105
Parental deposits	287,266	231,834
Other taxation and social security	169,461	166,305
Other creditors	119,941	84,924
Accruals	139,141	93,294
	1,110,914	971,462

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

21. Statement of funds

Statement of funds - current year

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2021 £
Unrestricted funds					
Designated funds					
Fixed asset fund	12,016,371	-	(388,369)	318,993	11,946,995
General funds					
General Fund	949,583	6,051,741	(5,796,864)	(318,993)	885,467
Total Unrestricted funds	12,965,954	6,051,741	(6,185,233)	-	12,832,462
Restricted funds					
Capital Development Fund	37,251	-	-	-	37,251
Bursary Fund	463,878	288,701	(309,000)	-	443,579
Instrument Fund	11,501	-	-	-	11,501
Composition and Outreach Fund	7,130	-	-	-	7,130
Chamber Music Academy	13,174	-	(3,440)	-	9,734
	532,934	288,701	(312,440)	-	509,195
Total of funds	13,498,888	6,340,442	(6,497,673)	-	13,341,657

THE PURCELL SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

21. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 August 2020 £</i>
Unrestricted funds					
Designated funds					
Fixed asset fund	-	-	(438,247)	12,454,618	12,016,371
General funds					
General Fund	10,003,661	5,855,253	(5,449,380)	(9,459,951)	949,583
LPC fund	9,700	-	-	(9,700)	-
	<u>10,013,361</u>	<u>5,855,253</u>	<u>(5,449,380)</u>	<u>(9,469,651)</u>	<u>949,583</u>
Total Unrestricted funds	<u>10,013,361</u>	<u>5,855,253</u>	<u>(5,887,627)</u>	<u>2,984,967</u>	<u>12,965,954</u>
Expendable endowment funds					
Buildings Fund	928,000	-	-	(928,000)	-
Capital Development Fund	2,066,667	-	-	(2,066,667)	-
	<u>2,994,667</u>	<u>-</u>	<u>-</u>	<u>(2,994,667)</u>	<u>-</u>
Restricted funds					
Capital Development Fund	37,251	-	-	-	37,251
Bursary Fund	519,865	262,013	(318,000)	-	463,878
Instrument Fund	1,801	-	-	9,700	11,501
Composition and Outreach Fund	5,629	3,770	(2,269)	-	7,130
Chamber Music Academy	7,844	12,500	(7,170)	-	13,174
	<u>572,390</u>	<u>278,283</u>	<u>(327,439)</u>	<u>9,700</u>	<u>532,934</u>
Total of funds	<u>13,580,418</u>	<u>6,133,536</u>	<u>(6,215,066)</u>	<u>-</u>	<u>13,498,888</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

21. Statement of funds (continued)

Restricted Funds

The Capital Development Fund represents donations made to fund major projects. Capital development funds going forward will be used for the next major building project.

The Bursary Fund comprises grants and donations made to the School for the purpose of funding needy students. Tuition fees in the Statement of Financial Activities include fees funded by scholarships of £300,000. In the year, a total of £699,763 of bursaries were made to students of which £309,000 was paid from the Bursary Fund.

The Instrument Fund comprises grants and donations made to the School for the purchase of specific musical instruments.

The Composition and Outreach Fund represents grants and donations made to the School for the commissioning and performance of new music and for undertaking community based activities.

The Chamber Music Academy comprises funds received specifically to fund a chamber music initiative involving students from the Purcell School led by Charles Sewart.

Unrestricted Fund

The general fund comprises accumulated revenue surpluses and, once any restrictions have been met, receipts from restricted and unrestricted capital funds. The transfer out of £318,993 represent capital purchases made using these funds.

The School has a designated fixed asset fund for the net book value of fixed assets held. As capital purchases are made using other funds, transfers are made into this fund.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	11,946,995	-	11,946,995
Fixed asset investments	100	-	100
Current assets	1,996,281	509,195	2,505,476
Creditors due within one year	(1,110,914)	-	(1,110,914)
Total	12,832,462	509,195	13,341,657

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	12,016,371	-	12,016,371
Fixed asset investments	100	-	100
Current assets	1,920,945	532,934	2,453,879
Creditors due within one year	(971,462)	-	(971,462)
Total	12,965,954	532,934	13,498,888

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

23. Reconciliation of net movement in funds to net cash flow from operating activities

		2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)		(157,231)	(81,530)
Adjustments for:			
Depreciation charges	17	388,369	438,247
Investment income	10	(288)	(6,763)
Increase in debtors	19	(66,907)	(38,576)
Increase in creditors	20	139,452	7,870
Net cash provided by operating activities		303,395	319,248

24. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	2,093,251	2,108,561
Total cash and cash equivalents	2,093,251	2,108,561

25. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	2,108,561	(15,310)	2,093,251
Debt due within 1 year	(395,105)	-	(395,105)
	1,713,456	(15,310)	1,698,146

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

26. Pension commitments

The School participates in the Teachers' Pension Scheme ('TPS') for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £481,731 (2020 - £424,504). At the year end, there were contributions of £68,736 (2020 - £64,865) payable in respect of the scheme.

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

26. Pension commitments (continued)

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The School operates a defined contribution pension scheme for non-teaching staff. Contributions paid during the year were £187,799 (2020 - £97,147). At the year end, there were contributions of £9,126 (2020 - £9,801) payable in respect of the schemes.

27. Operating lease commitments

At 31 August 2021 the School had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	-	10,445

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	2021 £	2020 £
Operating lease rentals	10,445	10,445

28. Related party transactions

Jonathan Eley, a Trustee of the School is a partner at Farrer & Co LLP, a firm that has been used for legal advice for their expertise with Independent Schools and in particular with the IICSA. Total costs of £4,545 (2020 - £54,917) for legal services to Farrer & Co. LLP had been incurred in the year. Jonathan Eley is not involved in providing any of this advice to the School.

The Trustees confirm that all transactions have been carried out at an arm's length basis and none of the Trustees have received any benefit due to their position as a Trustee.